

# money guides

## Renting an Apartment

It's a rite of passage – you reach a certain age, you move out of your parents' home, you get yourself a halogen torch lamp and you move into an apartment.

Man, it all sounds so easy.

It can be, in fact. After all, in the end, renting an apartment is a pretty simple proposition: You find a place you like and can afford, you give the landlord some money, and you offer your friends pizza and beer if they'll help you move. Of course, all that's the easy part. We're here to help you with the trickier parts: navigating leases, understanding your rights, and protecting your stuff.

### Renting an Apartment : Negotiating a Lease

The first time you look over a lease agreement, you may want to have some Tylenol ready. It'll be packed with tiny, tiny words, thousands of them, and many of them in Latin, or Greek, or maybe they're English. We don't know – we just know that they're inscrutable.

When it comes right down to it, though, a lease is a pretty basic contract. It lays out the conditions of a rental agreement, both for the owner and the renter. Among the details listed in a standard lease are:

- How much the rent is
- When you have to pay
- What kind of deposit is required
- How long the agreement is for
- What happens if one of you breaks the lease
- Who pays the utilities
- Whether pets are allowed

Read your lease carefully before you sign it, because you'll be the hook for whatever's in there. Of course, there are exceptions, such as any conditions that are unfair or unenforceable, or any wording that tries to force you to pay for repairs that the landlord is responsible for. For the most part, though, expect that you'll be held responsible for the terms of any standard lease.

Oh, and make sure you keep a copy of the lease for your records. You'll be glad you did if there's ever a dispute over what you can or can't do.

### Other things to know about leases:

- **Cosigners:** If the landlord doesn't think you'll be able to make your payments, you may need to get a cosigner. Take this seriously – if you do default, your cosigner will be responsible for the rent.
- **Giving notice:** You have to give the landlord notice if you're moving out, and he has to give you notice if he wants to end the lease or raise your rent. Generally speaking, that notice is 30 days for a monthly rent.

- **Breaking a lease:** Don't do it if you can avoid it – a lease is a contract, and there are penalties for breaking the terms. Make sure you know what those penalties are, and only break the lease if you can handle the ramifications.
- **Security deposit:** You may need to put down a security deposit to cover any unpaid rent or damages you cause. This money must be refunded within 30 days of the end of the rental agreement, though the landlord can deduct the cost of any repairs, other than maintenance from normal wear and tear. A landlord can require any amount for a security deposit.

## **Renting an Apartment : Your Rights (and Theirs)**

In most cases, renting an apartment is a pretty smooth operation – it's pretty rare for a tenant-landlord relationship to go truly sour. After all, everyone involved has an incentive to keep things cordial and above-board. That said, you never know what's going to happen, and it pays to know your rights and your responsibilities.

Tenant rights are, for the most part, set by state law, and though the following rights are pretty common from state-to-state, you should check to make sure they apply where you live. But before we get to your rights as a tenant, let's talk about your responsibilities:

**Your responsibilities:** The short version is that you need to act like an adult – you don't own the place, you're probably not alone in the building, and you need to act accordingly. Specifically, a tenant must:

- Keep the apartment clean
- Put out garbage in proper containers
- Use electrical and plumbing fixtures properly
- Follow local housing, health and safety rules
- Not damage the landlord's property or disturb neighbors
- Not let guests do either of those things
- Use appliances with care
- Notify the landlord when repairs are needed

**Your landlord's responsibilities:** While you've got responsibilities as a tenant, you also have certain rights. Generally speaking, a landlord is responsible for the following things:

- Obeying all health and safety laws and regulations
- Making repairs needed to maintain the property in good condition
- Keeping all common areas safe, clean and in good repair
- Maintaining all electrical, plumbing, heating and air conditioning fixtures and applications that the landlord provides or is required to provide
- Providing and maintaining garbage cans and provide for trash removal where there are four or more units in the building
- Supplying running water and enough hot water and heat at all times, unless there are separate heating or hot water units for each dwelling unit and the utility fees for the heating and hot water are paid directly by the tenant to a public utility company
- Giving at least 24 hours notice to a tenant before trying to enter his or her apartment and enter only at reasonable times unless there is an emergency
- Not abusing the right to enter

And there are some things your landlord just can't do, no matter what the situation. Among other things, he or she can't:

- Shut off utilities
- Take anything that belongs to you
- Lock you out of your apartment to force you to pay rent or leave the apartment
- Raise the rent or threaten to evict a tenant for taking legal action
- Harass you with repeated visits to your apartment

**Dealing with problems:** If your landlord isn't living up to his or her legal responsibilities, you do have a few options. For one thing, you can sue, either for money or to force the landlord to make a required repair, for example. Send a notice to the same address as the rent checks are sent and the landlord is required to make the repairs within 30 days.

If the landlord doesn't comply, you still have options. Just don't stop paying rent – you're still liable for that. Of course, if you want to keep your landlord from collecting that rent, you do have options:

- Take your rent check to the clerk of courts every month. They'll hold it until the repairs are made.
- Ask to the court to legally force the landlord to make the repairs. They may even decrease the rent for the period the repairs are not made.
- Move out – life is short, and some things just aren't worth the hassle. (Just don't forget to give proper notice.)

**Eviction:** Pay your rent and live up to your end of the lease, and you won't have to deal with this at all. If you do default, though, the landlord can force you out. You'll get a written eviction notice, and after a few days the landlord can file that notice in court. If he wins his suit and you still don't vacate, he can ask a local law enforcement officer to remove you from the apartment. Which means that it's probably a good time to start packing.

## **Renting an Apartment : Renters Insurance**

Once you've moved in to your new place, there's one thing you really ought to consider: insurance. Not on the building, but on your stuff. Get renters insurance as soon as you move into your apartment. (First check with your parents, though – if you're in college, their insurance policy might cover your things, even when you're at school.)

**What does it cover?:** Renters insurance covers all of your property within your apartment, and depending on the policy, it could include stuff that's outside the apartment, like if your bike get stolen while you're at a friend's apartment. The coverage generally includes theft, fire or water damage. Some key things you should know about when you call for a quote:

- **Replacement-cost policy.** This costs you a little more, but it's worth considering. If your bike were stolen, a replacement-cost policy would foot the bill for you to buy a new bike, similar in quality to the one you lost. Without this, you get reimbursed for the bike you had, which probably isn't enough to get a new bike.
- **Expensive items.** If you have computer or stereo equipment or expensive jewelry, they may not be covered completely. You may want to insure those separately.

- **Personal liability.** Most renters insurance covers all non-auto accidents. Say, for instance, you nailed a pedestrian on that cursed bike of yours before it was stolen. She could sue you, but renters insurance may protect you. Ask your agent about it.

**What does it cost?:** The glib answer is: Not as much as it costs to buy all new stuff. The straight answer is: not that much, actually. The National Association of Insurance Commissioners estimates that the average policy costs only \$169 a year. In other words, a lot less than you're paying for car insurance.

**Take inventory of your life:** If you do get renters insurance, document your belongings. Make a list of everything that's worth anything, including serial numbers. Take pictures (or make a video) of everything you own that you would want replaced. Trust us: it'll make settling claims with the insurance company a thousand times easier.

Oh, and keep those records somewhere else – at a friend's place or with a relative. Maybe email them to yourself using a Web-based email service. If you do have a fire, you don't want these records destroyed as well.